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# A BILL FOR AN ACT

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. The purpose of this Act is to:

2 (1) Allow an individual taxpayer who files an electronic  
3 income tax return to request the department of  
4 taxation to electronically deposit the taxpayer's  
5 income tax refund into an unspecified maximum number  
6 of checking or savings accounts; and

7 (2) Require the director of taxation to continue to visit  
8 low-income communities to assist in the preparation of  
9 tax filings.

10 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13 "§235- Refund splitting. (a) Any individual taxpayer  
14 required to make a return under this chapter shall be entitled  
15 to direct the deposit of an income tax refund into a maximum  
16 of checking or savings accounts at a financial  
17 institution; provided that a taxpayer designating the direct



1 deposit shall have electronically filed the taxpayer's return  
2 for federal and state income taxes and made a similar direct  
3 deposit electronic designation to the same checking or savings  
4 accounts on the electronic returns.

5 (b) The department of taxation shall be authorized to  
6 modify and revise its returns and computer systems to carry out  
7 the purposes of this section."

8 SECTION 3. Section 26-10, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§26-10 Department of taxation.** (a) The department of  
11 taxation shall be headed by a single executive to be known as  
12 the director of taxation.

13 (b) The department shall administer and enforce the tax  
14 revenue laws of the State and collect all taxes and other  
15 payments payable thereunder.

16 (c) The director of taxation shall visit low-income  
17 communities to assist taxpayers in the preparation of tax  
18 filings. The qualification of and the visitation to specific  
19 low-income communities shall be at the discretion of the  
20 director; provided that the visitation shall be on an annual  
21 basis and statewide.



1        (d) There shall be within the department of taxation a  
2 board of review for each taxation district and a tax appeal  
3 court. The composition of each board of review and the tax  
4 appeal court and its respective functions, duties, and powers  
5 shall be as heretofore provided by law for the boards of review  
6 and tax appeal court existing immediately prior to November 25,  
7 1959.

8        (e) The functions and authority heretofore exercised by  
9 the office of tax commissioner as heretofore constituted are  
10 transferred to the department of taxation established by this  
11 chapter."

12        SECTION 4. New statutory material is underscored.

13        SECTION 5. This Act shall take effect upon its approval  
14 and shall apply to taxable years beginning after December 31,  
15 2007.



**Report Title:**

Taxation; Refund Splitting; Electronic Deposits; Bank Accounts

**Description:**

Allows income tax refunds to be directly deposited in an unspecified maximum number of checking or savings accounts for electronically filed income tax returns similarly designated on the federal returns. Requires Director of Taxation to visit low-income communities to assist in the preparation of tax return forms. (SB2838 HD1)

